AMENDED IN SENATE MAY 27, 1999 AMENDED IN SENATE APRIL 27, 1999

SENATE BILL

No. 136

Introduced by Senator Knight

January 4, 1999

An act to amend Section 42316 of, and to add Section 42316.5 to, the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 136, as amended, Knight. Air pollution: Great Basin: mitigation.

(1) Existing law authorizes the Great Basin Unified Air Pollution Control District to require the City of Los Angeles to undertake reasonable measures, including studies, to mitigate the air quality impacts of its activities in the production, diversion, storage, or conveyance of water and authorizes the district to require the city to pay, on an annual basis, reasonable fees, with respect to those activities of the city.

This bill would require, rather than authorize, the district to require the city to undertake those measures and to pay those fees.

(2) Existing law prohibits the mitigation measures described in (1) from affecting the right of the city to produce, divert, store, or convey water and provides that the district has no authority with respect to the water production, diversion, storage, and conveyance activities of the city, except as specified. Under existing law, the city may appeal

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any measure or fee imposed by the district to the state board, as provided.

This bill would delete the prohibition on the mitigation measures affecting the right of the city to produce, divert, store, or convey water and would delete the prohibition on the district's authority with regard to the water production activities of the city. The bill would also delete the city's authority to appeal a measure or fee imposed by the district to the state board, and instead, would authorize the city to bring a judicial action to challenge the measure or fee.

This bill would provide that the City of Los Angeles is fully responsible for the costs associated with the implementation of air quality mitigation measures within the Owens Valley Planning Area, either pursuant to an order adopted by the Great Basin Unified Air Pollution Control District or pursuant to an order of, or action required by, the United States Environmental Protection Agency. The bill would require that those mitigation measures be implemented so that the Owens Valley Planning Area attains federal ambient air quality standards, as specified, by December 31, 2006. By imposing new duties on a local government with regard to the implementation of air quality mitigation measures, the bill would impose a state-mandated local program.

- (3) The bill would direct the Controller after providing a required notice to the city to deduct the amount of any costs incurred by the state for measures to comply with state and federal ambient air quality standards relating to the Owens Dry Lake Planning Area from any subvention, payment, or appropriation to or for the benefit of the City of Los Angeles for any purpose until the total cost of the measures has been recovered by the state.
- (4) The California Constitution requires the state reimburse local agencies and school districts for certain costs the state. Statutory provisions mandated by procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other exceed procedures for claims whose statewide costs \$1,000,000.

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This bill would provide that no reimbursement is required for certain costs mandated by this act for specified reasons.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- SECTION 1. The Legislature finds and declares all of the following:
- 3 (a) The City of Los Angeles and the Great Basin 4 Unified Air Pollution Control District entered into a 5 Memorandum of Agreement (MOA) dated July 27, 1998,
- 6 which provides for the implementation of air pollution
- 7 control measures in the Owens Valley Planning Area, a
- 8 region that includes the Owens Dry Lake, that are
- 9 necessary to fully meet state and federal ambient air
- 10 quality standards for PM 10 (particulate matter having a
- 11 nominal aerodynamic diameter of 10 microns or less)
- 2 through effective mitigation of dust storms to minimize 3 the effects of those storms on public health.
- 14 (b) The citizens of the Owens Valley continue to suffer 15 from the adverse effects of one of the nation's worst air 16 pollution problems.
- 17 (c) The City of Los Angeles is responsible for creating 18 the conditions in the Owens Dry Lake which were caused 19 by water diversions from the valley that have occurred 20 since 1913.
- 21 (d) Delays in the negotiations between the City of Los
 22 Angeles and the Great Basin Unified Air Pollution
 23 Control District pertaining to the Owens Valley Planning
 24 Area have repeatedly occurred over the last 18 years, and
 25 the Legislature recognizes the possibility that further
 26 delays could occur in implementing the air pollution
- 27 control measures described in the MOA.
- 28 (e) By its own terms, the MOA will terminate if the
- 29 United States Environmental Protection Agency (EPA)
- 30 does not approve California's 1998 revised State 31 Implementation Plan (SIP) by August 20, 1999. If the 1998
- 32 revised SIP is not so approved by that date, the costs of the

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Owens Dry Lake air quality mitigation measures may shift to the State of California.

3 SEC. 2. Section 42316 of the Health and Safety Code is amended to read:

5 42316. (a) The Great Basin Unified Air Pollution 6 Control District shall require the City of Los Angeles to undertake measures to comply with state and federal ambient air quality standards, including studies, mitigate the air quality impacts of its activities in the 10 production, diversion, storage, or conveyance of water and shall require the city to pay, on an annual basis, 12 reasonable fees, based on an estimate of the actual costs 13 to the district of its activities associated with the 14 development of the mitigation measures and related air quality analysis with respect to those activities of the city. 16 Except for studies and monitoring activities, mitigation measures may only be required or amended 17 18 on the basis of substantial evidence establishing that 19 water production, diversion, storage, or conveyance by 20 the city causes or contributes to violations of state or federal ambient air quality standards.

- (b) The city may bring a judicial action to challenge 23 any measure or fee imposed by the district under this section. The action shall be brought pursuant to Section 25 1094.5 of the Code of Civil Procedure and shall be filed within 30 days of the adoption of the measure or fee.
- 27 (b) The city may appeal any measures or fees imposed 28 by the district to the state board within 30 days of the adoption of the measures or fees. The state board, on at 30 least 30 days' notice, shall conduct an independent 31 hearing on the validity of the measures or reasonableness 32 of the fees that are the subject of the appeal. The decision of the state board shall be in writing and shall be served 34 on both the district and the city. Pending a decision by the 35 state board, the city shall not be required to comply with 36 any measures that have been appealed. Either the district 37 or the city may bring a judicial action to challenge a 38 decision by the state board under this section. The action shall be brought pursuant to Section 1094.5 of the Code of

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Civil Procedure and shall be filed within 30 days of service of the decision of the state board.

- (c) A violation of any measure imposed by the district pursuant to this section is a violation of an order of the district within the meaning of Sections 41513 and 42402.
- SEC. 3. Section 42316.5 is added to the Health and Safety Code, to read:

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- 42316.5. (a) The City of Los Angeles is fully responsible for costs associated with the implementation 10 of air quality mitigation measures undertaken for the purpose of achieving state and federal ambient air quality standards in the Owens Valley Planning Area pursuant to either of the following:
- (1) An order adopted by the Great Basin Unified Air 15 Pollution Control District pursuant to Section 42316 that 16 imposes air quality mitigation measures.
- (2) An order of, or action required by, the United 18 States Environmental Protection Agency for the purpose of achieving the federal ambient air quality standards in the Owens Valley Planning Area.
- (b) The City of Los Angeles shall implement the air quality mitigation measures required by subdivision (a) so that the Owens Valley Planning Area attains federal 24 ambient air quality standards for particulate matter 25 having an aerodynamic diameter of 10 microns or less 26 (PM 10) by December 31, 2006.
- 27 SEC. 4. If the state incurs any costs for measures 28 relating to the Owens Valley Planning Area, including 29 Owens Dry Lake, to mitigate the air quality impacts of 30 the activities of the City of Los Angeles in the production, diversion, storage, or conveyance of water in order to with state and federal ambient air quality standards, the Controller shall deduct the amount of 34 those costs from any subvention, payment, 35 appropriation to or for the benefit of the City of Los 36 Angeles for any purpose until the total cost of the 37 measures has been recovered by the state. The Controller may deduct an amount equal to that cost from any subvention, payment, or appropriation that will be made during a budget year of the City of Los Angeles that will

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commence on July 1, if, not later than the January 1 immediately preceding the commencement of that fiscal year, the Controller notifies the city of the amounts that will be deducted pursuant to this section.

- SEC. 5. No reimbursement is required by this act 6 pursuant to Section 6 of Article XIII B of the California Constitution because of the following:
- (a) With respect to any costs that may be incurred by 9 the Great Basin Unified Air Pollution Control District, 10 those costs are incurred as the result of a program for which legislative authority was requested by that local 12 agency within the meaning of Section 17556 of the 13 Government Code and Section 6 of Article XIII B of the 14 California Constitution.
- (b) With respect to any costs that may be incurred by 16 the City of Los Angeles, the City of Los Angeles has the authority to levy service charges, fees, or assessments 18 sufficient to pay for the program or level of service 19 mandated by this act, within the meaning of Section 17556 20 of the Government Code and County of Fresno v. State 21 of California (1991) 53 Cal.3d 482.